

# Cablefax Daily™

Thursday — October 25, 2018

What the Industry Reads First

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## Get Smart: Cable Paints Itself as Natural Partner for Connected Cities

As communities look to become smart and connected, cable's hoping to be part of the process. "Cable companies are uniquely well suited" as a partner, but municipalities don't always understand that, said *Bill Maguire* of **Connected Communities LLC** consultancy. Maguire, an adviser to local governments, nonprofits and tech companies, was tapped by **NCTA** to author a whitepaper on smart cities that was released during **Cable-Tec Expo** Wednesday. It found that cable networks have the capability to support smart community and IOT apps now and in the future. It sounds like the industry really needs to emphasize that it can be there today. **Ruckus Networks'** *Steve Wimsatt* lamented during an Expo panel that cities sometimes have an attitude of not wanting to work with WiFi or IoT as they expect 5G to come in and solve everything. "Talk to me in 2022-2023 and let me know if you have it yet. But if you want a solution between now and then, you're going to have to do it on your own," said Wimsatt, who serves as senior director of business development for **Arris-owned Ruckus**. This is why cable is focused on getting the word out that it offers gigabit speeds now. NCTA predicts the number of housing units where cable providers will offer gigabit service should hit a projected 72% by year-end, and that may be conservative. "It's frankly shocking that this has occurred" so quickly, Maguire said. "I don't think many municipal leaders understand it or the implications." One issue that may slow rollout is that budget-focused towns and cities are having difficulty coming up with the financials for a business case. Maguire acknowledged the problem, but there are starting to be some clear ROI cases, such as savings from smart LED streetlights and energy efficiencies in building environments. There are some metrics showing an ROI impact for smart transportation, but that's still early, he added. NYC has been aggressive in this space, receiving a lot for free—WiFi smart kiosks from **Google-backed Intersection**, a huge public WiFi network and expected \$500mln in cash over 10 years from advertising through the kiosk displays. But Wimsatt warned these type of public-private partnerships are really only going to work for about 20 large cities. "Other than that, I think cities will have to pay for it," he said. "Business models are evolving. We have a number of people we are working with who are fully building out public WiFi networks—a gold-plated WiFi deployment—and they're doing this as a way to prove an asset base for 5G small cell deployments. It's basically a real estate land grab." Another opportunity could be advertising over WiFi. It's



## Awards Luncheon

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typically been pretty disappointing, but new models could change that, Wimsatt said. He credited a Georgia city's creativity. It is rolling out video cameras throughout its geography. The project was originally going to have fiber running to each camera. Instead, it's relying largely on wireless backhaul. Not only is it much cheaper, but that WiFi network is available for public access for other use cases. *Marva Johnson*, a state govt affairs vp for **Charter**, stressed that a city's focus has to really be on the why when it comes enabling smart city apps. She praised Orlando for not rushing to implement something. "There is so much focus put on the network and a lot of focus put on the technology, which is all very good, but there's less focus put on the why," she said. "What I like about Orlando is they are looking at what solutions they are trying to solve for [transportation, education, healthcare] ... and then peeling back the analysis to see what their pain points are."

**AT&T Earnings:** AT&T shares closed down just over 8% Wednesday after AT&T delivered lackluster 3Q results. Streaming service **DirecTV** Now delivered just 49K subs in the quarter. That's significantly below a 300K projection from **Evercore** and, according to **MoffettNathanson**, only a sixth as many as a year ago. Traditional video has been hurt by that two-year promo AT&T offered subs after acquiring DirecTV. Those subs are starting to roll off and churn, helping to account for the 346K traditional pay TV customers lost. Programmers should take note that management said on Wednesday's earnings call that it is evaluating the program lineup, noting that content is the largest and fastest-growing cost of any video offering. As AT&T evaluates channel lineups, it's finding that customers want smaller, value-based video packages. "While there were no specific suggested networks discussed, it is hard not to worry about all the upcoming DTV affiliate fee renewals, including **Viacom** in 2019," concluded a MoffettNathanson research note. Things were brighter for the new **WarnerMedia** unit, which grew revenue about 6% to \$8.2bln during the quarter. **Turner** assisted with 4% rev growth in the quarter.

**Mas DISH-Univision:** The disagreement between these two is heading into overtime. **Univision** began warning **DISH** customers Wednesday that they could lose Univision Deportes. The satellite provider stopped carrying the flagship Univision channel, **Galavision** and **UniMas** at the end of June with the two unable to come to terms on a renewal. Univision-owned radio stations were spreading the word on social media (and presumably on-air), warning that a blackout of Deportes could come soon. A blackout would be bad news for fans of the popular **Liga MX** club soccer league as they'd lose access to almost all of the league's matches right before the playoffs. Deportes also features UEFA Champions League, MLS and events such as the Gold Cup.

**WIT Winner:** In accepting the 2018 Women in Technology award, **Comcast's Noopur Davis** on Wed told **SCTE-ISBE**

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Cable-Tec Expo attendees that she's "really optimistic about the future of women and technology" despite the fact that she's never had a female boss. Her optimism is partly based on a young female colleague in tech who recently told her she was so excited that her boss was a woman who reported to another woman, Davis. Comcast pres, technology and product *Tony Werner* said Davis was one of those job candidates who quickly rose to the top of the list when she interviewed at Comcast nearly 3 years ago. "Everybody said 'Tony, you've got to meet this person. She's absolutely fantastic,'" he recalled. "I was blown away... She's a fantastic leader, she's a fantastic mentor, and she's done fantastic things for this company." Werner specifically noted her work on blockchain and IoT. Davis thanked Werner "for taking a chance on me when I was new to this industry," as well as her husband for "introducing me to my second love, coding, all those years ago in college." The WIT Award is a joint effort of SCTE-ISBE, **WICT** and **Cablefax**.

**SCTE Notebook:** Congrats to **Comcast** Fellow *Larry Wolcott* who was named **SCTE-ISBE** Member of the Year during the annual awards lunch at Cable-Tec Expo. He's credited with helping the Rocky Mountain chapter surpass the 1K member mark. The luncheon also welcomed Comcast Cable's *Greg Allshouse* and **CommScope's Jim Hughes** into the SCTE-ISBE Hall of Fame. Other awards bestowed Wednesday include the Excellence in Standards Award given to **HBO** tech dev & standards svp *Craig Cuttner* and the Cable-Tec Games' Spirit of the Games honor, which went to Comcast Cable's *Mike O'Dell*. -- Smart move by SCTE-ISBE to bring in *Vernice "FlyGirl" Armour* as a motivational speaker for Wednesday's lunch. Armour, America's first African American female combat pilot, really helped energize the room. "The key is to acknowledge obstacles, but don't give them power," she advised.

**Bomb Scare:** A suspicious package sent to the Time Warner Center in NYC, where **CNN** is based, forced an evacuation Wednesday. The CNN Center in Atlanta tightened up security in the aftermath, with Cable-Tec Expo attendees who tried to enter the building's food court directed by Atlanta Police to another entrance with more security. CNN pres *Jeff Zucker* issued a statement in the aftermath, saying "There is a total and complete lack of understanding at the White House about the seriousness of their continued attacks on the media. The president, and especially the White House press secretary, should understand their words matter. Thus far, they have shown no comprehension of that."

**Hulu-Discovery Connection:** An interview with **Hulu** CEO *Randy Freer* with **The Information** revealed how Hulu Live added **Discovery** to its lineup. Hulu is paying Discovery the same fees as before with no increase, and Discovery dropped the price of content licensed to the SVOD. This essentially offsets the cost of the newly added nets. However, this may all be up in the air next cycle when **Disney** controls Hulu, wrote **Bernstein Research's Todd Juenger**. "Given Disney will own National Geographic, and has already announced Nat Geo will be part of the Disney-branded DTC product, we doubt Disney will be interested in promoting Discovery," he concluded. -- In other Hulu news, **Starz** and Hulu announced the launch of the Starz premium add-on, available just-in time for the release of Season 4 of the net's original series "Outlander" on Nov 4.

**Must Haves:** **Beta Research** released its annual "must have" digital basic networks study, based on average perceived value among viewers, and being a favorite digital basic net among **Netflix/Hulu/Prime Video** viewers. **FX Movie Channel** came in top of the list, with 31% of 18+ adults rating it a 4 or 5 "must have" channel on a 5-point scale. **Hallmark Movies & Mysteries** came in No. 2 with 26%, tied with **NFL Network**. In terms of AVP, NFL Net came in No.1 at \$1.89, followed by **Nick Music** at \$1.84 and **NickToons TV** at \$1.80. Favorite digital nets among heavy streamers are FXM at 24%, **BBC America** at 21%, and HMM at 20%.

**Programming:** **Netflix** is dipping its toes into animated music with the premiere of "Motown Magic" on Nov 20. The family animated series is based on the music of Motown and comes from Emmy-winning "Beat Bugs" creator *Josh Wakely*, and musical megahouse *Smokey Robinson* serves as executive music producer. Performances include covers from artists such as *Ne-Yo*, *Becky G* and *Trombone Shorty*. -- The **Premier Lacrosse League**, a venture hoping to revolutionize professional lacrosse, will kick off in June 2019 after security a media-rights deal with **NBC Sports Group**. The nets will broadcast every game during the league's 14-week season. -- Reformed boy band member *Jonathan Knight*, best known from *New Kids on the Block*, will star in the new **HGTV** pilot "Farmhouse Fixer." Knight has renovated more than 200 houses over the years, and the pilot, featuring him restoring a centuries-old New England farmhouse, will air in 2019. -- Disney Channel ordered a multi-camera sitcom "Just Roll With It."

**People:** **Golf Channel** tapped former **USA Swimming** CMO *Matt Farrell* as gm, alternative golf and exec dir for the **World Long Drive Association**. The net has televised the World Long Drive since 2013. Farrell will oversee event sponsorships, marketing, communications, operations, player relations and TV/digital media extensions for these types of franchises when he starts Dec 3.